

Bruce K. Medeiros
DAVIDSON ♦ MEDEIROS
1280 Bank of America Center
601 West Riverside Avenue
Spokane, Washington 99201
(509) 624-4600

Attorney for Debtors In Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re. . .

**JEFFREY W. CLARK and SHERYL A.
CLARK,**

Debtors.

No. **05-10347-PCW11**
Chapter **11**

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW RE:
CONFIRMATION OF PLAN OF
REORGANIZATION**

This matter came on for hearing upon the filing of the Second Amended Plan Of Reorganization by Jeffrey W. Clark and Sheryl A. Clark ("Clark"), Debtor-in-Possession. The Court having considered the comments of counsel, the testimony of Debtor Jeffrey W. Clark, and the records and files herein, including the following:

- Second Amended Plan Of Reorganization;
- First Amended Disclosure Statement;
- First Amended Plan Of Reorganization;
- List Classifying Claims And Interests;
- Report of Balloting;

FILED

JUN 26 2007

**T.S. MCGREGOR, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

- Order Approving Disclosure Statement And Setting Confirmation; and
- Proposed Order Confirming Second Amended Plan Of Reorganization.

Based on the foregoing, the Court enters the following FINDINGS OF FACT:

1. The Clarks filed their First Amended Disclosure Statement ("Disclosure Statement") on March 22, 2007 and its Second Amended Plan Of Reorganization ("Plan") on April 20, 2007. An Order approving the Disclosure Statement was entered on April 18, 2007. A true and correct copy of the Disclosure Statement and Plan were transmitted to creditors and equity security holders.

2. No objections to confirmation of the Plan were filed.

3. All ballots filed were cast for acceptance of the Plan.

4. General Unsecured Claimants are impaired. The Plan was accepted by at least two-thirds in amount and more than one-half in number of General Unsecured Claimants that have accepted or rejected the Plan.

5. The Plan provides for the same treatment for each claim or interest within a particular Class. The claims of (5) Bank of America, N.A., (6) F&M Bank, (7) Edith Clark, (8) Wells Fargo have been separately classified to allow for separate treatment of those claims. These separate classifications are reasonable

1 and necessary for the success of the Plan, and have not been established
2 arbitrarily, or in a manner that prejudices the rights of other creditors.
3

4 6. The Plan provides for the continued operation of the businesses
5 operated by the Clarks. According to the Declaration of Jeffrey W. Clark, no
6 liquidation or further reorganization should be necessary.

7 7. According to the Declaration of Jeffrey W. Clark creditors, including
8 General Unsecured Claimants, will receive a greater distribution under the Plan
9 than would be received through liquidation.
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11 8. The Plan provides for payment of administrative claims upon
12 confirmation, or upon allowance by the Court.

13 9. The Clarks are not liable for retiree benefits.
14

15 10. The Debtors are not required to pay domestic Support obligations.

16 11. The Plan provides for no changes in utility rates.

17 12. The Plan provides for the full payment of all claims.

18 13. The Plan does not discriminate unfairly, and is fair and equitable
19 with respect to each class of claims or interests that are impaired under the Plan
20 and has not accepted the Plan
21

22 Based on the foregoing FINDINGS OF FACT, the Court enters the following
23 CONCLUSIONS OF LAW:

24 1. The Plan has been accepted in writing by the creditors and equity
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1 security holders whose acceptance is required by law; and

2 2. The provisions of Chapter 11 have been complied with; the Plan has
3 been proposed in good faith and not by means forbidden by law; and
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5 3. (i) Each holder of a claim or interest has accepted the Plan or will
6 receive or retain under the Plan, property of a value, as of the effective date of the
7 Plan, that is not less than the amount that such holder would receive or retain if
8 the Debtors were liquidated under chapter 7 of the Code on such date, or (ii) the
9 Plan does not discriminate unfairly, and is fair and equitable with respect to each
10 class of claims or interests that are impaired under the Plan and has not accepted
11 the Plan; and
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13 4. To the extent applicable, all payments made or promised by the
14 Debtors or by a person issuing securities or acquiring property under the Plan or
15 by any other person for services or for costs and expenses in, or in connection
16 with, the Plan and incident to the case, have been fully disclosed to the Court and
17 are reasonable or, if to be fixed after confirmation of the Plan, will be subject to
18 approval of the Court; and
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21 5. To the extent applicable, the identity qualifications and affiliations of
22 the persons who are to be directors or officers, if any, of the Debtors after
23 confirmation of the Plan have been fully disclosed, and the appointment of such
24 persons to such offices or the continued appointment of such persons to such
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1 offices, or their continuance therein, is equitable and consistent with the interests
2 of the creditors and equity security holders and with public policy; and
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4 6. The identity of any insider that will be employed or retained by the
5 Debtor and their compensation has been fully disclosed; and

6 7. (i) Confirmation of the Plan is not likely to be followed by the
7 liquidation or the need for further financial reorganization of the Debtors, or (ii) if
8 the Plan is a Plan of liquidation, the Plan sets a time period in which liquidation
9 will be accomplished, and provides for eventuality if the liquidation is not
10 accomplished in that period; and
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12 8. As provided in Section 6.7 of the Plan, the receipt of one full
13 installment payment by each class of creditors receiving payment under the Plan
14 shall constitute substantial consummation of the Plan. Substantial
15 consummation shall not occur before the thirtieth (30th) day after the Effective
16 Date, as defined in the Plan; and
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18 9. Closing of Case: Thirty (30) days following the filing of the final
19 account, the final decree will be entered and the case shall be closed, unless a
20 motion is filed requesting that the final decree not be so entered. If a final
21 account has not been filed within thirty (30) days following the confirmation of
22 the Plan, a final decree may be entered and the case closed, unless a party in
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1 interest has filed a written objection.
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So Ordered this 26th of
June, 2007

Clark L. Lantz

Judge

12 Presented by:

13 DAVIDSON ♦ MEDEIROS
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15 /s/ Bruce K. Medeiros
16 Bruce K. Medeiros, WSBA No. 16380
17 Attorney for Jeffrey W. Clark and
18 Sheryl A. Clark
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